

LAW OFFICES

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January 20, 2020

Via ECF

Honorable Paul G. Gardephe
United States District Judge
Thurgood Marshall U.S. Courthouse
40 Foley Square
New York, NY 10007

Re: United States v. Avenatti, No. S1 19 Cr. 373 (PGG)
Letter Response regarding Outstanding Judgments

Dear Judge Gardephe:

We write in response to the government's letter of January 15, 2020, regarding the outstanding money judgments. (Dkt. No. 148).¹ We address only the evidence of judgments that the government intends to offer in its case-in-chief, (Dkt. No. 148:2-3), without waiving our arguments that financial condition evidence should be excluded under Rules 402, 403, and 404(b) for the reasons articulated in our previous submissions on this issue. (Dkt. Nos. 89, 116, 134).

1. Judgment in Favor of Jason Frank Law PLC

Mr. Avenatti does not dispute the authenticity of the Judgment against him personally for \$5,054,287.75 (Dkt. No. 148:2; 148-1:7-8), nor does he contest that it was pending against him in March 2019. Moreover, Mr. Avenatti does not dispute that this amount represents that portion of a \$10,000,000 judgment against the law firm Eagan Avenatti, LLP, that Mr. Avenatti had personally guaranteed (including pre-judgment interest). Mr. Avenatti does not know how much of the personal judgment Jason Frank Law, PLC, has actually collected.

However, Mr. Avenatti **does** dispute that he would be personally liable for any portion of the remainder of the \$10,000,000 judgment against Eagan Avenatti as this judgment represents a debt of the limited liability partnership. *See* Calif. Corp. Code §16306(c). Mr. Avenatti **does** dispute the position in the government's clarifying letter "[b]ased on further conversations with lay witnesses," (Dkt. No. 167-1), that the \$10,000,000 judgment and the

¹ During the telephonic status conference on January 14, 2020, the Court directed the parties to make a submission regarding outstanding judgments by January 15, 2020, at 10am, but then granted Mr. Avenatti's application to delay the filing in view of his arrest shortly after the telephonic conference. (Dkt. No. 151).

\$5,054,287.75 judgment are separate obligations which are not overlapping or duplicative. As the government correctly noted in its original letter, the personal judgment against Mr. Avenatti represents that portion of the judgment against the partnership that Mr. Avenatti personally guaranteed. *See GX 585* (attached as Exhibit 1), at page 6. Thus, he objects to the introduction of the \$10,000,000 judgment against Eagan Avenatti.

2. The William Parrish Debt

Mr. Avenatti does not dispute that there was a default judgment entered against him in the amount of \$2,194,301.87 in favor of William Parrish that was pending as of March 2019.

3. The Support Debt

Mr. Avenatti does not dispute that Lisa Storie-Avenatti obtained a Court Order on October 22, 2018, based on a hearing held on July 16, 2018, requiring Mr. Avenatti to make **monthly** payments for spousal support and child support in the amounts set forth in the government's letter (Dkt. No. 148:3, 148-1:22-35), as well as the additional amounts for attorney's fees and accounting fees. That is, Mr. Avenatti does not dispute the authenticity of that Order. Mr. Avenatti is unaware of any judgment or court order that required Mr. Avenatti to pay \$2,049,000 in spousal and child support as of March 2019. Further, testimony from the former attorney for Ms. Storie-Avenatti, who was retained after Mr. Avenatti's arrest in March 2019, about his personal belief regarding the amount owed lacks foundation and is based on hearsay. To be clear, Mr. Avenatti disputes that he owed the amount of \$2,049,000 as of March 2019, especially in view of the payment of certain monies and turnover of certain assets.

Mr. Avenatti, who was representing himself, was unable to appear at the July 16, 2018, hearing; the family court judge accepted uncontested testimony from Ms. Storie-Avenatti. After the Order was entered, however, Mr. Avenatti retained counsel (on December 13, 2018), and his new counsel advised him that there were grounds to challenge the Order based on misrepresentations made at the hearing. As of March 2019, Mr. Avenatti believed that the Order would be set aside. Testimony about this spousal and child support should be excluded for the reasons previously advanced; in addition, it will invite a side-show about family law issues that should not be a part of this trial.

Respectfully,
/s/ Scott A. Srebnick
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Jose M. Quinon
E. Danya Perry